

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>MONROE CHARTER TOWNSHIP</b>	County <b>MONROE</b>
Audit Date <b>12/31/05</b>	Opinion Date <b>2/3/06</b>	Date Accountant Report Submitted to State: <b>4/25/06</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following: "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- |   |   |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).  |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>COOLEY HEHL WOHLGAMUTH &amp; CARLTON, PLLC</b>			
Street Address <b>ONE SOUTH MONROE STREET</b>		City <b>MONROE</b>	State <b>MI</b>
		ZIP <b>48161</b>	
Accountant Signature <i>Cooley Hehl Wohlgamuth &amp; Carlton</i>			Date <b>04-25-06</b>

MONROE CHARTER TOWNSHIP  
Monroe County, Michigan

ANNUAL FINANCIAL REPORT  
December 31, 2005

# MONROE CHARTER TOWNSHIP

## *Table of Contents* *December 31, 2005*

---

<b>Independent Auditor's Report</b> .....	1-2
<b>Management's Discussion and Analysis</b> .....	3-10
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Assets .....	11
Statement of Activities .....	12-13
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet .....	14-15
Reconciliation of the Balance Sheet of Governmental Funds to the	
Statement of Net Assets .....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	17-18
Reconciliation of the Statement of Revenues, Expenditures, and Changes	
in Fund Balances of Governmental Funds to the Statement of Activities .....	19
Agency Funds - Statement of Fiduciary Net Assets .....	20
Notes to Financial Statements .....	21-34
<b>Required Supplemental Information:</b>	
General Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balances	
- Budget and Actual .....	35-36
Special Revenue Fund - Central Sewer	
Statement of Revenues, Expenditures, and Changes in Fund Balance	
- Budget and Actual .....	37
<b>Other Supplemental Information:</b>	
Capital Project Fund - Fire and Safety:	
Statement of Revenues, Expenditures, and Changes in Fund Balance	
- Budget and Actual .....	38
Capital Project Fund - Roads:	
Statement of Revenues, Expenditures, and Changes in Fund Balance	
- Budget and Actual .....	39
Capital Project Fund - Special Assessment Water District #70:	
Statement of Revenues, Expenditures, and Changes in Fund Balance	
- Budget and Actual .....	40
Nonmajor Governmental Funds:	
Combining Balance Sheet .....	41-42
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	43-44

# MONROE CHARTER TOWNSHIP

## *Table of Contents (Concluded)* *December 31, 2005*

---

**Other Supplemental Information (Concluded):**

Special Revenue Fund - Emergency Revolving Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balance	
- Budget and Actual .....	45
Special Revenue Fund - Street Light Fund:	
Statement of Revenues, Expenditures, and Changes in Fund Balance	
- Budget and Actual .....	46
Special Revenue Fund - Water District #62:	
Statement of Revenues, Expenditures, and Changes in Fund Balance	
- Budget and Actual .....	47
Special Revenue Fund - Water District #63:	
Statement of Revenues, Expenditures, and Changes in Fund Balance	
- Budget and Actual .....	48
Special Revenue Fund - Water District #68:	
Statement of Revenues, Expenditures, and Changes in Fund Balance	
- Budget and Actual .....	49
Special Revenue Fund - Water District #69:	
Statement of Revenues, Expenditures, and Changes in Fund Balance	
- Budget and Actual .....	50
Capital Project Fund - Park and Recreation:	
Statement of Revenues, Expenditures, and Changes in Fund Balance	
- Budget and Actual .....	51
Agency Funds:	
Combining Balance Sheet .....	52
Statement of Changes in Assets and Liabilities - All Agency Funds .....	53-56
Index to Central Sewer and Water Districts .....	57



**COOLEY HEHL  
WOHLGAMUTH & CARLTON**  
P. L. L. C. Certified Public Accountants

James R. Cooley, CPA  
David K. Hehl, CPA  
Robert W. Wohlgamuth, CPA  
Peter H. Carlton, CPA  
Matthew D. Hehl, CPA  
Deborah A. Sabo, CPA

One South Monroe Street • Monroe, Michigan 48161-2281  
Telephone: (734) 241-7200 • Fax: (734) 241-2637  
[www.chwccpa.com](http://www.chwccpa.com)

Members:  
American Institute of Certified Public Accountants  
Michigan Association of Certified Public Accountants  
Division for CPA Firms American Institute of  
Certified Public Accountants

### Independent Auditor's Report

Township Board  
Monroe Charter Township  
Monroe County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Monroe Charter Township, Monroe County, Michigan as of and for the year ended December 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Monroe Charter Township, Monroe County, Michigan management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Monroe Metropolitan Water Pollution Control System, a joint venture, which represent 100 percent of the business-type activities. Those financial statements were audited by another auditor, whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the Monroe Metropolitan Water Pollution Control System in the business-type activities columns, is based solely on the report of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Monroe Charter Township, Monroe County, Michigan as of December 31, 2005, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 35 through 37, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Township Board  
Monroe Charter Township

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monroe Charter Township, Monroe County, Michigan basic financial statements. The comparative and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The comparative and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Cooley Hehl Wollgamuth & Carlton*

February 3, 2006

## MONROE CHARTER TOWNSHIP

### *Management's Discussion and Analysis Year Ended December 31, 2005*

---

This section of the Monroe Charter Township's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended December 31, 2005. Please read it in conjunction with the Township's financial statements, which immediately follow this section. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the Township's revenues and expenditures by program for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds.

The Governmental Accounting Standards Board (GASB) adopted this report in *Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June, 2000. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

#### **Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Monroe Charter Township financially as a whole. The ***Government-Wide Financial Statements***, which include the statement of Net Assets and the Statement of Activities, provide information about the activities of the Township as a whole and presents both a short-term and a long-term view of those finances. The ***Fund Financial Statements*** provide the next level of detail. For governmental activities, these statements explain how services were financed in the short-term as well as what remains for future spending. The ***Fund Financial Statements*** report the Township's operations in more detail than the ***Government-Wide Financial Statements*** by providing information about the Township's most significant funds – the General Fund, the Central Sewer Special Revenue Fund, the Water District #66 Debt Fund, the Special Assessment Water District #70 Debt Fund, the Fire and Safety Capital Project Fund, the Roads Capital Project Fund, and Special Assessment Water District #70 Capital Project Fund. All other funds are presented in one column as nonmajor funds. The remaining statements, the Statement of Fiduciary Net Assets, presents financial information about activities for which the Township acts solely as an agent for the benefit of the public. The following summary illustrates how the various parts of this annual report are arranged:

*Management's Discussion and Analysis (MD&A)*  
*(Required Supplemental Information)*

#### Basic Financial Statements

*Government-Wide Financial Statements*      *Fund Financial Statements*

*Notes to the Basic Financial Statements*

*Budgetary Information for Major Funds*  
*(Required Supplemental Information)*

*Other Supplemental Information*

## MONROE CHARTER TOWNSHIP

### *Management's Discussion and Analysis Year Ended December 31, 2005*

---

#### **Government-Wide Financial Statements**

The Statement of Net Assets and the Statement of Activities (pages 11-13), which appear first in the Township's financial statements, report information on the Township as a whole and its activities. These statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Township's net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the Township's financial health is improving or deteriorating. The relationship between revenues and expenses indicates the Township's operating results. However, the Township's goal is to provide services to our residents, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the services provided and the safety of the public to assess the overall health of the Township.

The government-wide financial statements of the Township are divided into two categories:

- Governmental activities which encompasses all of the Township's services, including general government services, public safety, public works, culture and recreation. Property taxes, state grants, charges for services, and capital contributions finance most of these activities.
- Business-type activities which consists of the joint venture in the Monroe Metropolitan Water Pollution Control System.

#### **Fund Financial Statements**

The Township's Fund Financial Statements (pages 14-20) provide detailed information about the most significant or "major" funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes other funds to control and manage money for particular purposes or to show that it is properly using revenues. The Township's two types of funds, governmental and fiduciary, use different accounting approaches as described below:

**Governmental funds** – All of the Township's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Township and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation format in the financial section on pages 16 and 19.

**Fiduciary funds** – An Agency Fund is used to account for assets held by the Township as an agent for the collection and disbursement of payroll, property taxes, and escrow accounts.

# MONROE CHARTER TOWNSHIP

## Management's Discussion and Analysis Year Ended December 31, 2005

### Government-Wide Financial Analysis

The Statement of Net Assets provides the perspective of the Township as a whole. Table 1 provides a summary of the Township's net assets as of December 31, 2005:

**Table 1:**

### Condensed Statement of Net Assets December 31, 2005

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$8,548,333	\$7,631,564	\$0	\$0	\$8,548,333	\$7,631,564
Capital assets	5,521,520	5,030,257	0	0	5,521,520	5,030,257
Investment in joint venture	0	0	4,824,390	4,880,838	4,824,390	4,880,838
<b>Total Assets</b>	<b>14,069,853</b>	<b>12,661,821</b>	<b>4,824,390</b>	<b>4,880,838</b>	<b>18,894,243</b>	<b>17,542,659</b>
Current and other liabilities	288,768	46,100	0	0	288,768	46,100
Long-term liabilities	1,862,798	1,677,595	0	0	1,862,798	1,677,595
<b>Total Liabilities</b>	<b>2,151,566</b>	<b>1,723,695</b>	<b>0</b>	<b>0</b>	<b>2,151,566</b>	<b>1,723,695</b>
<b>Net Assets</b>						
Invested in capital						
assets, net of related debt	4,582,187	3,905,284	3,858,574	3,905,858	8,440,761	7,811,142
Restricted for:						
Debt service	332,589	526,674	0	0	332,589	526,674
Capital projects	90,141	0	0	0	90,141	0
Public improvements	3,328,877	2,939,200	0	0	3,328,877	2,939,200
Roads	792,214	901,113	0	0	792,214	901,113
Fire protection	616,325	679,522	0	0	616,325	679,522
Emergency revolving	26,609	26,831	0	0	26,609	26,831
Culture and recreation	50,000	0	0	0	50,000	0
Unrestricted	2,099,345	1,959,502	965,816	974,980	3,065,161	2,934,482
<b>Total Net Assets</b>	<b>\$11,918,287</b>	<b>\$10,938,126</b>	<b>\$4,824,390</b>	<b>\$4,880,838</b>	<b>\$16,742,677</b>	<b>\$15,818,964</b>

As depicted in Table 1, the Township's net assets were \$16.7 million at December 31, 2005. Of this amount, a positive \$3.1 million was unrestricted. This amount represents the *accumulated* results of all past years' operations. The unrestricted net asset balance is used for working capital and cash flow needs as well as to provide for future uncertainties. It means that if we had to pay off all our bills *today*, including all of our noncapital liabilities we could with our current resources. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operations for the Township as a whole are reported in the Statement of Activities. Table 2 shows the changes in the net assets for the calendar year ended December 31, 2005.

**MONROE CHARTER TOWNSHIP**

*Management's Discussion and Analysis  
Year Ended December 31, 2005*

**Government-Wide Financial Analysis - Continued**

**Table 2:**

**Changes in Net Assets  
Year Ended December 31, 2005**

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
<b>Revenues</b>						
Program revenues						
Charges for services	\$482,353	\$417,225	\$1,268,291	\$1,299,773	\$1,750,644	\$1,716,998
Capital contributions	516,107	49,160	0	0	516,107	49,160
	998,460	466,385	1,268,291	1,299,773	2,266,751	1,766,158
General revenues						
Property taxes	1,369,618	1,331,428	0	0	1,369,618	1,331,428
State grants	1,003,922	997,179	0	0	1,003,922	997,179
Interest and penalties	241,245	104,669	19,323	10,201	260,568	114,870
Loss on sale of capital asset	(3,697)	0	0	0	(3,697)	0
Other general revenues	222,448	33,302	0	0	222,448	33,302
	2,833,536	2,466,578	19,323	10,201	2,852,859	2,476,779
 Total Revenues	3,831,996	2,932,963	1,287,614	1,309,974	5,119,610	4,242,937
 <b>Functions/Program Expenses</b>						
Legislative	71,032	64,921	0	0	71,032	64,921
General government	1,360,170	1,206,064	0	0	1,360,170	1,206,064
Public safety	510,622	474,851	0	0	510,622	474,851
Public works	768,582	1,131,032	0	0	768,582	1,131,032
Culture and recreation	67,917	53,773	0	0	67,917	53,773
Interest on long-term debt	73,512	81,683	0	0	73,512	81,683
Water pollution control system	0	0	1,344,062	1,272,959	1,344,062	1,272,959
 Total Expenses	2,851,835	3,012,324	1,344,062	1,272,959	4,195,897	4,285,283
 <b>Increase (Decrease) in Net Assets</b>	 \$980,161	 (\$79,361)	 (\$56,448)	 \$37,015	 \$923,713	 (\$42,346)

## MONROE CHARTER TOWNSHIP

### *Management's Discussion and Analysis* *Year Ended December 31, 2005*

---

#### **Government-Wide Financial Analysis - Concluded**

As indicated in Table 2, the cost of *all governmental* activities this year was \$2.9 million. Of this amount, \$1.0 million was subsidized with revenue generated from charges for services, grants and other contributions with the remaining costs financed with general revenues. The cost of *business-type* activities this year was \$1.3 million which was subsidized with revenue generated from charges for services.

The Township's governmental activities experienced an increase in net assets of \$980,161. The primary reasons are an increase in charges for services, capital contributions, interest, and other revenue. The reason for the increase in capital contributions is the revenue recognition of \$405,000 for the new water district. Other revenue increased due to contributions of capital assets of approximately \$171,000. Also, expenses for public works decreased by \$362,450 which was due to less capital outlay for roads. A reconciliation of the change in fund balances to the change in net assets appears on page 19.

#### **Fund Financial Analysis**

As noted earlier, the Township uses funds to help control and manage money for particular purposes. Looking at funds helps the reader consider whether Monroe Charter Township is being held accountable for the resources taxpayers and others provide to it and may give more insight into the Township's overall financial health.

As the Township completed this year, the governmental funds reported a combined fund balance of \$7.49 million, which is an increase of \$326,130 from last year. The changes by fund types are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Retirement Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
<b>Fund balances – Beginning of year</b>	\$2,283,124	\$3,083,078	\$191,646	\$1,604,383	\$7,162,231
Increase (decrease)	<u>125,386</u>	<u>191,539</u>	<u>45,293</u>	<u>(36,088)</u>	<u>326,130</u>
<b>Fund balances – End of year</b>	<u>\$2,408,510</u>	<u>\$3,274,617</u>	<u>\$236,939</u>	<u>\$1,568,295</u>	<u>\$7,488,361</u>

The Township's General Fund balance increase is due to an increase of \$185,442 in revenue compared to the prior year's revenue. The increase in revenue was due to an increase of approximately \$77,000 in interest revenue and approximately \$52,000 in license and permit fees.

## MONROE CHARTER TOWNSHIP

### *Management's Discussion and Analysis Year Ended December 31, 2005*

#### **Fund Financial Analysis - Continued**

The tables that follow assist in illustrating the financial activities of the General Fund.

	<b>December 31, 2005</b>	<b>December 31, 2004</b>	<b>Percent Change</b>
<b>Revenues</b>			
Property taxes and special assessments	\$ 761,598	\$ 738,099	3.18%
Licenses and permits	332,231	280,294	18.53%
State grants	1,011,147	997,179	1.40%
Charges for services	14,785	23,796	(37.87)%
Interest	118,344	41,349	186.21%
Other	62,407	34,353	81.66%
Transfer in	<u>16,267</u>	<u>-</u>	N/A
Total revenues	<u>\$2,316,779</u>	<u>\$2,115,070</u>	9.54%

The Township's expenditures increased from \$2,048,602 in 2004 to \$2,191,393 in 2005. This was an increase of approximately \$143,000. There was a reduction of approximately \$10,000 in legislative and general government. In addition, there was an increase of approximately \$68,000 for public safety, public works, culture and recreation. However, there was a decrease in capital outlay of \$87,000. There was an increase of approximately \$20,000 for employee health, dental, life, disability, and pension benefits; an increase of approximately \$7,500 for unemployment; and an increase of approximately \$4,000 for general liability insurance.

	<b>December 31, 2005</b>	<b>December 31, 2004</b>	<b>Percent Change</b>
<b>Expenditures</b>			
Legislative	\$ 63,263	\$ 57,992	9.09%
General government	811,659	827,210	(1.88)%
Public safety	358,581	298,835	19.99%
Public works	41,796	46,783	(10.66)%
Culture and recreation	57,332	44,533	28.74%
Other	390,767	358,375	9.04%
Capital outlay	9,495	87,290	(89.12)%
Operating transfers out	<u>458,500</u>	<u>327,584</u>	39.96%
Total Expenditures	<u>\$2,191,393</u>	<u>\$2,048,602</u>	6.97%

## **MONROE CHARTER TOWNSHIP**

### *Management's Discussion and Analysis Year Ended December 31, 2005*

---

#### **Fund Financial Analysis - Concluded**

##### **General Fund Budgetary Highlights**

The Uniform Budget Act of the State of Michigan requires the Charter Township Board to adopt the original budget prior to January 1, the start of the fiscal year. Over the course of the year, the Township revises its budget as it attempts to deal with the unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule illustrating the Township's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these statements. Revisions to the General Fund budget were as follows:

**Revenues** - The original budget of \$2,174,875 was adjusted to \$2,299,702. The key reasons are an increase in budget line items for the non-business licenses and permits, Stoneco monitoring fees, electric/plumbing permits, and Metro Act revenue. We also saw a decrease in budgeted revenues for current tax collection, state shared revenue, penalties and interest on tax, fines and forfeits and other revenue.

**Expenditures** – The original budget of \$2,016,460 was adjusted to \$1,988,772. The key reasons are decreases to the public works and culture and recreation.

#### **Capital Asset and Debt Administration**

##### **Capital Assets**

At December 31, 2005, the Township had \$5.6 million invested in a broad range of capital assets, including land, construction in progress, buildings and building improvements, machinery and equipment, and vehicles. This amount represents a net increase (including additions and disposals) of \$643,874 from last year. This year's additions of \$643,874 included a garage upgrade, fire trucks, voting machines, office equipment, and water line construction. New debt of \$405,000 was issued for the new water line construction. Depreciation for this year totaled \$199,533. Details regarding capital assets are included in Note 6 to the financial statements.

##### **Debt Administration**

On December 31, 2005, the Township's debt for special assessment bonds and general obligation bonds was \$905,000. The special assessment bonds are paid with special assessments, and the general obligation bonds are paid by the General Fund and some Debt Funds. The note payable for the new fire station, that was completed in 2002, was \$939,333 at year end. The fire station note payable will be paid through tax collections from the Fire and Safety Capital Project Fund. Details regarding long-term debt are included in Note 7 to the financial statements.

#### **Development of the 2006 Fiscal Year Budget**

Our elected officials consider many factors when setting the Township's 2006 fiscal year budget. The budget is based primarily on the last fiscal year's spending patterns. Thought is also given to important factors affecting the budget, such as State Shared Revenue, since it accounts for 44% percent of our revenues. The Township continues to take measures to help control the rising cost of governmental services. In 2005, the Township requested and received a thorough risk control evaluation to assist in controlling the rising cost of liability insurance and a basis for cost control negotiations, which resulted in a reduction of approximately \$11,000 for the Township's 2006 general liability insurance premium. We will continue to watch our budget to pave, upgrade, and maintain our roads with monies received from property taxes. This includes completing the Hull Road new storm water drainage and repaving project between East Dunbar and Albain Roads. The Township plans to contribute \$200,000 for a \$1.1 million Monroe County Road Commission project to widen and repave LaPlaisance Road from I-75 to East Dunbar. The Township also plans to revive the extension of West Seventh Street from Patterson to Herr Road.

## **MONROE CHARTER TOWNSHIP**

### *Management's Discussion and Analysis Year Ended December 31, 2005*

---

#### **Development of the 2006 Fiscal Year Budget - Concluded**

In addition, the Township is in the process of reviewing and preparing a new Master Plan for developmental purposes. The Township will continue to look to the future to develop plans for a new Township park with baseball diamonds and playground equipment. Also, the Township will develop plans to build a new auxiliary fire station on the northwest side of Monroe Charter Township on land the County has leased to the Township. The Township will pursue grants to help fund these programs.

#### **Contacting Monroe Charter Township**

This financial report is designed to provide the Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate their accountability for the money it receives. If you have any questions about this report or need additional information, contact the Monroe Charter Township Clerk, 4925 East Dunbar Road, Monroe, MI 48161.

**MONROE CHARTER TOWNSHIP***Statement of Net Assets  
December 31, 2005*

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$2,550,301	\$0	\$2,550,301
Certificate of deposit	4,813,858	0	4,813,858
Receivables:			
Accounts and accrued interest	216,310	0	216,310
Special assessments	724,335	0	724,335
Sewer taps	1,400	0	1,400
Due from other governmental units	178,225	0	178,225
Prepaid expenses	63,904	0	63,904
Net investment in Monroe Metropolitan Water Pollution Control System	0	4,824,390	4,824,390
Depreciable capital assets, net	5,521,520	0	5,521,520
 Total Assets	 14,069,853	 4,824,390	 18,894,243
<b>Liabilities</b>			
Accounts payable	256,069	0	256,069
Accrued interest payable	32,699	0	32,699
Long-term liabilities:			
Due within one year	230,458	0	230,458
Due in more than one year	1,632,340	0	1,632,340
 Total Liabilities	 2,151,566	 0	 2,151,566
<b>Net Assets</b>			
Invested in capital assets, net of related debt	4,582,187	3,858,574	8,440,761
Restricted for:			
Debt service	332,589	0	332,589
Capital projects	90,141	0	90,141
Public improvements	3,328,877	0	3,328,877
Roads	792,214	0	792,214
Fire protection	616,325	0	616,325
Emergency revolving	26,609	0	26,609
Culture and recreation	50,000	0	50,000
Unrestricted	2,099,345	965,816	3,065,161
 Total Net Assets	 \$11,918,287	 \$4,824,390	 \$16,742,677

See accompanying notes to the basic financial statements.

**MONROE CHARTER TOWNSHIP***Statement of Activities  
Year Ended December 31, 2005*

<b>Functions/Programs</b>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>
Primary government:			
Governmental activities:			
Legislative	\$71,032	\$0	\$0
General government	1,360,170	363,313	0
Public safety	510,622	1,276	0
Public works	768,582	117,764	516,107
Culture and recreation	67,917	0	0
Interest on long-term debt	73,512	0	0
Total governmental activities	2,851,835	482,353	516,107
Business-type activities:			
Water pollution control system	1,344,062	1,268,291	0
Total primary government	<u>\$4,195,897</u>	<u>\$1,750,644</u>	<u>\$516,107</u>

**General Revenues:**

Property taxes  
State grants  
Interest and penalties  
Loss on sale of capital asset  
Other

Total General Revenues

**Change in Net Assets**

Net Assets - Beginning of year, as restated

Net Assets - End of year

See accompanying notes to the basic financial statements.

<hr/> <hr/> Net (Expense) Revenue and Changes in Net Assets <hr/> Primary Government <hr/>		
Governmental Activities	Business-type Activities	Total
(\$71,032)	\$0	(\$71,032)
(996,857)	0	(996,857)
(509,346)	0	(509,346)
(134,711)	0	(134,711)
(67,917)	0	(67,917)
(73,512)	0	(73,512)
(1,853,375)	0	(1,853,375)
0	(75,771)	(75,771)
(1,853,375)	(75,771)	(1,929,146)
1,369,618	0	1,369,618
1,003,922	0	1,003,922
241,245	19,323	260,568
(3,697)	0	(3,697)
222,448	0	222,448
2,833,536	19,323	2,852,859
980,161	(56,448)	923,713
10,938,126	4,880,838	15,818,964
<u>\$11,918,287</u>	<u>\$4,824,390</u>	<u>\$16,742,677</u>

**MONROE CHARTER TOWNSHIP**

*Governmental Funds  
Balance Sheet  
December 31, 2005*

	<u>Special Revenue Fund</u>		<u>Debt Service Funds</u>	
	<u>General</u>	<u>Central Sewer</u>	<u>Special Assessment Water District #66</u>	<u>Special Assessment Water District #70</u>
<b>Assets</b>				
Cash and cash equivalents	\$0	\$503,342	\$32,856	\$18,879
Certificate of deposit	2,115,245	2,619,536	0	0
Receivables:				
Special assessment	0	0	100,386	405,000
Accounts and accrued interest	188,586	12,854	5,822	0
Sewer tap	0	1,400	0	0
Due from other governmental units	59,365	0	30,501	0
Prepaid expenses	63,904	0	0	0
Total Assets	<u>\$2,427,100</u>	<u>\$3,137,132</u>	<u>\$169,565</u>	<u>\$423,879</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$18,590	\$0	\$0	\$0
Deferred revenue	0	1,200	122,615	384,750
Total Liabilities	18,590	1,200	122,615	384,750
<b>Fund Balances</b>				
Reserved for prepaid expenditures	63,904	0	0	0
Reserved for debt service	0	0	46,950	39,129
Unreserved:				
Designated for capital outlay	121,030	0	0	0
Designated for volunteer firemen	0	0	0	0
Designated for emergencies	0	0	0	0
Unreserved:			0	0
Undesignated, reported in:				
General Fund	2,223,576	0	0	0
Special Revenue Funds	0	3,135,932	0	0
Capital Projects Funds	0	0	0	0
Total Fund Balances	<u>2,408,510</u>	<u>3,135,932</u>	<u>46,950</u>	<u>39,129</u>
Total Liabilities and Fund Balances	<u>\$2,427,100</u>	<u>\$3,137,132</u>	<u>\$169,565</u>	<u>\$423,879</u>

See accompanying notes to the basic financial statements.

Capital Project Funds				
Fire and Safety	Roads	Special Assessment Water District #70	Other Nonmajor Governmental Funds	Total Governmental Funds
\$635,677	\$879,535	\$154,131	\$325,881	\$2,550,301
0	79,077	0	0	4,813,858
0	0	0	218,949	724,335
0	442	0	8,606	216,310
0	0	0	0	1,400
263	163	0	87,933	178,225
0	0	0	0	63,904
<u>\$635,940</u>	<u>\$959,217</u>	<u>\$154,131</u>	<u>\$641,369</u>	<u>\$8,548,333</u>
\$0	\$167,003	\$63,990	\$6,486	\$256,069
0	0	0	295,338	803,903
0	167,003	63,990	301,824	1,059,972
0	0	0	0	63,904
0	0	0	150,860	236,939
0	0	0	0	121,030
0	0	0	5,000	5,000
0	0	0	21,609	21,609
0	0	0	0	2,223,576
0	0	0	112,076	3,248,008
635,940	792,214	90,141	50,000	1,568,295
<u>635,940</u>	<u>792,214</u>	<u>90,141</u>	<u>339,545</u>	<u>7,488,361</u>
<u>\$635,940</u>	<u>\$959,217</u>	<u>\$154,131</u>	<u>\$641,369</u>	<u>\$8,548,333</u>

**MONROE CHARTER TOWNSHIP**

*Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets  
December 31, 2005*

---

<b>Total Fund Balances - Governmental Funds</b>	\$7,488,361
---	-------------

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds:

Cost of the capital assets	6,932,523	
Accumulated depreciation	(1,411,003)	
		5,521,520

Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred revenue in the funds.	803,903
--	---------

Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:

Bonds payable	(905,000)	
Loan payable	(939,333)	
Accrued interest	(32,699)	
Compensated absences	(18,465)	
		(1,895,497)

<b>Total Net Assets - Governmental Activities</b>	<u><u>\$11,918,287</u></u>
---	----------------------------

See accompanying notes to the basic financial statements.

**MONROE CHARTER TOWNSHIP**

*Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended December 31, 2005*

	<u>Special Revenue Fund</u>		<u>Debt Service Funds</u>	
	General	Central Sewer	Special Assessment Water District #66	Special Assessment Water District #70
<b>Revenues</b>				
Property taxes and special assessments	\$761,598	\$102,000	\$10,017	\$20,250
Licenses and permits	332,231	0	0	0
State grants	1,011,147	0	0	0
Contributions from local units	0	0	0	0
Charges for services	14,785	0	0	0
Interest and penalties	118,344	96,260	7,293	3
Other revenue	62,407	72	0	0
Total Revenues	2,300,512	198,332	17,310	20,253
<b>Expenditures</b>				
Legislative	63,263	0	0	0
General government	811,659	0	0	0
Public safety	358,581	0	0	0
Public works	41,796	0	0	0
Culture and recreation	57,332	0	0	0
Other	390,767	0	0	0
Capital outlay	9,495	0	0	0
Capital projects	0	0	0	0
Debt service	0	0	15,360	0
Total Expenditures	1,732,893	0	15,360	0
Excess (Deficiency) of Revenues Over Expenditures	567,619	198,332	1,950	20,253
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of bonds	0	0	0	18,876
Operating transfers in	16,267	0	0	0
Operating transfers out	(458,500)	0	0	0
Total Other Financing Sources (Uses)	(442,233)	0	0	18,876
<b>Net Change in Fund Balances</b>	125,386	198,332	1,950	39,129
Fund Balances - Beginning of year	2,283,124	2,937,600	45,000	0
Fund Balances - End of year	<u>\$2,408,510</u>	<u>\$3,135,932</u>	<u>\$46,950</u>	<u>\$39,129</u>

See accompanying notes to the basic financial statements.

Capital Project Funds				
Fire and Safety	Roads	Special Assessment Water District #70	Other Nonmajor Governmental Funds	Total Governmental Funds
\$374,574	\$233,446	\$0	\$148,157	\$1,650,042
0	0	0	0	332,231
0	0	0	0	1,011,147
133,255	0	0	0	133,255
0	0	0	0	14,785
0	2,649	0	11,965	236,514
4,490	0	682	11,142	78,793
512,319	236,095	682	171,264	3,456,767
0	0	0	0	63,263
0	0	0	0	811,659
0	0	0	238	358,819
0	0	0	112,619	154,415
0	0	0	0	57,332
0	0	0	0	390,767
0	0	0	0	9,495
579,649	711,895	336,101	0	1,627,645
0	0	0	46,882	62,242
579,649	711,895	336,101	159,739	3,535,637
(67,330)	(475,800)	(335,419)	11,525	(78,870)
0	0	386,124	0	405,000
0	366,901	39,436	52,163	474,767
0	0	0	(16,267)	(474,767)
0	366,901	425,560	35,896	405,000
(67,330)	(108,899)	90,141	47,421	326,130
703,270	901,113	0	292,124	7,162,231
\$635,940	\$792,214	\$90,141	\$339,545	\$7,488,361

**MONROE CHARTER TOWNSHIP**

*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended December 31, 2005*

---

<b>Net Change in Fund Balances - Total Governmental Funds</b>		<b>\$326,130</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation expense.		
Capital outlay	698,743	
Depreciation expense	<u>(199,533)</u>	499,210
Increases in the liability for compensated absences are reported as an expenditure in the statement of activities, but not in the governmental funds.		(843)
Accrued interest is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid.		1,749
Repayments of long term debt are an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt).		220,640
Bond proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net assets.		(405,000)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		346,222
In the statement of activities, only the loss on the sale of equipment is reported, while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the equipment sold.		<u>(7,947)</u>
<b>Change in Net Assets of Governmental Activities</b>		<b><u>980,161</u></b>

See accompanying notes to the basic financial statements.

**MONROE CHARTER TOWNSHIP**

*Agency Funds*  
*Statement of Fiduciary Net Assets*  
*December 31, 2005*

	Agency Payroll	Tax Collection	Escrow Accounts	Totals
<b>Assets</b>				
Cash	\$56,318	\$1,286,413	\$104,026	\$1,446,757
Receivables:				
Accounts	4,533	0	0	4,533
Taxes	0	8,114,862	0	8,114,862
 Total Assets	<u>\$60,851</u>	<u>\$9,401,275</u>	<u>\$104,026</u>	<u>\$9,566,152</u>
 <b>Liabilities</b>				
Due to other governmental units	\$57,066	\$2,725	\$0	\$59,791
Due to taxing units	0	9,398,550	0	9,398,550
Due to property owners	0	0	104,026	104,026
Due to other local units	3,785	0	0	3,785
 Total Liabilities	<u>\$60,851</u>	<u>\$9,401,275</u>	<u>\$104,026</u>	<u>\$9,566,152</u>

See accompanying notes to the basic financial statements.

## MONROE CHARTER TOWNSHIP

### *Notes to Financial Statements Year Ended December 31, 2005*

---

#### Note 1      Description of the Township and Reporting Entity

The Township operates under a locally elected seven member Board form of government and provides the following services: public safety (fire), highways and streets, culture and recreation, public improvements, planning and zoning, and general administrative services.

#### Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the Township consists of all funds, departments, boards, and agencies that are not legally separate from the Township.

Component units are legally separate organizations for which the Township is financially accountable. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt, or the levying of taxes. The Township has no component units.

The following entity is a joint venture which is not included in the governmental fund financial statements but is included as a business-type activity in the government-wide financial statements.

#### MONROE METROPOLITAN WATER POLLUTION CONTROL SYSTEM

This is a joint venture between Monroe Charter Township, Frenchtown Charter Township, City of Monroe, and the County of Monroe to provide a wastewater treatment system to these municipalities located within the County of Monroe.

#### Note 2      Summary of Significant Accounting Policies

The financial statements of Monroe Charter Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Council (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the Township's accounting policies.

#### Basis of Presentation

##### A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities which rely, to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Amounts reported as program revenue include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. General revenue includes taxes, intergovernmental payments, sales of property, and other items not properly included among program revenues.

Separate financial statements are provided for governmental funds, and agency funds, even though the latter are excluded from the government-wide financial statements. Individual major governmental funds are reported as separate columns in the fund financial statements.

## MONROE CHARTER TOWNSHIP

*Notes to Financial Statements*  
*Year Ended December 31, 2005*

---

### Note 2

#### Summary of Significant Accounting Policies

##### Basis of Presentation (Continued)

##### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Governmental fund expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

On the governmental funds statements, property taxes, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Agency fund statements also are reported using the economic resources measurement focus and the cash basis of accounting.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. The General Fund accounts for all financial resources of the Township, except those required to be accounted for in another fund.

The Special Revenue Fund - Central Sewer accounts for the collection of sanitary sewer district special assessments and their disposition.

The Debt Fund - Special Assessment Water District #66 accounts for the payment of special assessment bond principal and interest from special assessment levies for Telegraph Road.

The Debt Fund - Special Assessment Water District #70 accounts for the payment of special assessment bond principal and interest from special assessment levies for Hull Road.

## MONROE CHARTER TOWNSHIP

*Notes to Financial Statements  
Year Ended December 31, 2005*

---

### Note 2

#### Summary of Significant Accounting Policies (Continued)

##### Basis of Presentation (Continued)

##### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)

The Capital Project Fund - Fire and Safety accounts for moneys set aside to be used for specific capital projects.

The Capital Project Fund - Roads accounts for moneys set aside to be used for specific capital projects.

The Capital Project Fund - Special Assessment Water District #70 accounts for the Hull Road Watermain improvements.

The Township reports the following nonmajor governmental funds:

The Special Revenue Fund - Emergency Revolving, Special Revenue Fund - Street Light, Special Revenue Fund - Water District #62, Special Revenue Fund - Water District #63, Special Revenue Fund - Water District #68, Special Revenue Fund - Water District #69, Debt Service Fund - Water District #47, Debt Service Fund - Special Assessment Water District #64, Debt Service Fund - Special Assessment Water District #65, Debt Service Fund - Special Assessment Water District #67, Debt Service Fund - General Obligation Water District #64, Debt Service Fund - General Obligation Water District #65, Debt Service Fund - General Obligation Water District #66, Debt Service Fund - General Obligation Water District #67, and Capital Project Fund - Park and Recreation.

##### C. Assets, Liabilities, and Net Assets or Equity

Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Property Tax Receivable - Property taxes are assessed as of December 31 and the related property taxes become a lien on July 1 and December 1 of the following year. Summer taxes are considered delinquent July 31, and winter taxes are considered delinquent February 14 of the following year.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets - General capital assets are those assets related to the general activities and expenditures reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Township maintains a capitalization threshold of one thousand dollars and an estimated useful life in excess of one year. The Township has elected not to retroactively report infrastructure assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

## MONROE CHARTER TOWNSHIP

*Notes to Financial Statements  
Year Ended December 31, 2005*

---

### Note 2

#### Summary of Significant Accounting Policies (Continued)

##### Basis of Presentation (Continued)

##### C. Assets, Liabilities, and Net Assets or Equity (Continued)

All reported capital assets, other than land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvement	20 years
Buildings and Buildings Improvements	10-50 years
Machinery and Equipment	3-10 years
Vehicles	5-25 years

Interfund Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." These amounts are eliminated in the governmental activities column of the statement of net assets.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Payments of long-term loans that are paid from governmental funds are recognized as an expenditure on the governmental fund financial statements when due.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

Interfund Transactions - Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Fund Balance Reserves and Designations - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

## MONROE CHARTER TOWNSHIP

### *Notes to Financial Statements Year Ended December 31, 2005*

---

#### Note 2

#### Summary of Significant Accounting Policies (Continued)

#### Basis of Presentation (Continued)

#### C. Assets, Liabilities, and Net Assets or Equity (Concluded)

Compensated Absences - Township employees are granted vacation, personal, and sick days under formulas and conditions in the personnel policy manual. All earned vacation must be taken within the calendar year. Vacation time not used during the year will not accrue and will be lost. Personal days must be used and no accrual is allowed. Full-time employees earn five days of sick leave per calendar year. Unused sick time is paid out at the end of each calendar year. Part-time regular employees, after ninety days of continuous employment, shall receive prorated sick days according to the number of hours worked. As of December 31, 2003, any sick time became "banked sick days." Banked sick time can only be used after current sick time has been exhausted. Employees will receive a banked sick day compensation payment at one-half rate for the total accumulated sick days with the regular hourly rate in effect at the date of resignation or dismissal. Banked sick days are accrued in the government-wide financial statements. In the fund financial statements, these accounts are reported when paid.

D. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.

E. Extraordinary and Special Items - Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Township and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2005.

F. Budgetary Policies - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The General Fund and all Special Revenue Funds are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Township Board at the function level. Any budgetary modifications may only be made by resolution of the Township Board.

The Township follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements.

1. Prior to October 31, the fiscal officer submits to the Township Board a proposed operating budget for the fiscal year commencing on January 1.
2. A public hearing is conducted during October to obtain taxpayer comments.
3. Prior to October 31, the budget is legally enacted through passage of a resolution.
4. During the year the budget is monitored, and amendments to the budget are made when deemed necessary.
5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Lapsing of Appropriations - At the close of each year all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriations.

## MONROE CHARTER TOWNSHIP

### *Notes to Financial Statements Year Ended December 31, 2005*

---

Note 2      Summary of Significant Accounting Policies (Concluded)  
Basis of Presentation (Concluded)

G. Restatements - Beginning net assets of governmental activities were increased by \$1,087,276 to properly reflect the effect of the long-term receivable from the water district special assessments and the net book value of the water line.

Note 3      Stewardship, Accountability and Compliance

The Township shall not incur expenditures in excess of the amount appropriated. Annual budgets are adopted on a basis that is consistent with generally accepted accounting principles and State Law for the General and Special Revenue Funds.

In the required supplemental information, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis, which is the adopted legal level of control.

For the year ended December 31, 2005, expenditures exceeded final budgeted amounts in the following funds:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Street Light Fund	\$112,232	\$112,619	\$(387)

Note 4      Deposits

Statutes authorize the Township to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper within the three highest rate classifications by at least two rating services; bankers' acceptances of U.S. banks, U.S. or agency repurchase agreements; savings accounts and certificates of deposit with banks and savings and loan associations, or credit unions which are insured with the applicable federal agency. Public funds of the Township may not be deposited in financial institutions located in states other than Michigan.

Public Act 367 of 1982 (known as the Surplus Funds Investment Pool Act) enables municipalities to invest surplus operating funds in investment pools managed by qualified financial institutions. At December 31, 2004, the Township had invested in such a fund with a local bank. The Township is able to retrieve these funds without restriction and, accordingly, this amount is considered to be available cash. The local bank invests these funds in a variety of instruments including bonds and direct obligations of the United States, certificates of deposit, commercial paper rated within the three highest classifications by not less than two standard rating services, United States government or federal agency obligation repurchase agreements and bankers acceptances of the United States banks.

The Township believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, and since State of Michigan legislation does not require that all deposits be collateralized, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk at each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The Board has adopted an investment policy authorizing certain types of investments and authorized three depositories: Monroe Bank & Trust, Fifth Third Bank, and LaSalle Bank.

## MONROE CHARTER TOWNSHIP

### *Notes to Financial Statements Year Ended December 31, 2005*

---

#### Note 4      Deposits (Concluded)

*Interest rate risk.* The Township's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit risk.* The Township will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the Township's investment policy.

*Concentration of credit risk.* The Township does not place any limits on the amount the Township may deposit or invest in any one issuer.

*Custodial credit risk.* Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned or the Township will not be able to recover the collateral securities in the possession of an outside party. The Township has \$9,608,636 invested in certificates of deposit, checking accounts, and money markets. The Township's deposits are insured by the FDIC in the amount of \$228,250, with uninsured deposits of \$9,380,386. The Township's deposits are at institutions with an established record of fiscal health and service. The Township Board approves and designates a list of authorized depository institutions. The Township's investment policy does not address deposit risk.

*Foreign currency risk.* The Township is not authorized to invest in investments which have this type of risk.

#### Note 5      Interfund Transfers

Interfund transfers for the year ended December 31, 2005, consisted of the following:

	<u>Transfers Out</u>		
	<u>General</u>	<u>Water</u>	
	<u>Fund</u>	<u>District #62</u>	<u>Total</u>
<u>Transfers In:</u>			
General Fund	\$ -	\$16,267	\$ 16,267
Special Revenue Funds:			
Street Light	954	-	954
Debt Service Funds:			
GO Water District #64	6,249	-	6,249
GO Water District #65	4,960	-	4,960
Capital Project Funds:			
Roads	366,901	-	366,901
Water District #70	39,436	-	39,436
Park and Recreation	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total	<u>\$458,500</u>	<u>\$16,267</u>	<u>\$474,767</u>

The transfer to the General Fund was to close the Water District #62 Special Revenue Fund. The transfer from the General Fund to the Street Light Special Revenue Fund was to assist in the payment of the street light utility bills and to eliminate the fund's deficit balance. Transfers from the General Fund to General Obligation Water District #64 and General Obligation Water District #65 Debt Service Funds was for debt service retirement. The transfer to the Roads Capital Project Fund was for additional capital projects. The transfer from the General Fund to the Water District #70 Capital Project Fund was for additional capital project expenditures. The transfer from the General Fund to the Park and Recreation Capital Project Fund was for future capital project expenditures.

# MONROE CHARTER TOWNSHIP

## Notes to Financial Statements Year Ended December 31, 2005

### Note 6

### Capital Assets

Capital asset activity for the fiscal year ended December 31, 2005, was as follows:

	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005
Governmental Activities:				
Assets not being depreciated:				
Land	\$956,737	\$0	\$0	\$956,737
Construction in progress	0	336,101	0	336,101
	<u>956,737</u>	<u>336,101</u>	<u>0</u>	<u>1,292,838</u>
Capital assets being depreciated:				
Buildings and building improvements	2,506,417	2,481	0	2,508,898
Machinery and Equipment	513,206	203,428	(14,895)	701,739
Vehicles	1,592,289	156,733	(39,974)	1,709,048
Water lines	720,000	0	0	720,000
	<u>5,331,912</u>	<u>362,642</u>	<u>(54,869)</u>	<u>5,639,685</u>
Total capital assets	<u>6,288,649</u>	<u>698,743</u>	<u>(54,869)</u>	<u>6,932,523</u>
Less accumulated depreciation for:				
Building and building improvements	(338,657)	(44,583)	0	(383,240)
Machinery and Equipment	(182,697)	(67,161)	14,746	(235,112)
Vehicles	(650,638)	(73,389)	32,176	(691,851)
Water lines	(86,400)	(14,400)	0	(100,800)
	<u>(1,258,392)</u>	<u>(199,533)</u>	<u>46,922</u>	<u>(1,411,003)</u>
Total accumulated depreciation	<u>(1,258,392)</u>	<u>(199,533)</u>	<u>46,922</u>	<u>(1,411,003)</u>
Net capital assets	<u>\$5,030,257</u>	<u>\$499,210</u>	<u>(\$7,947)</u>	<u>\$5,521,520</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 140,422
Public safety	44,711
Public works	<u>14,400</u>
Total governmental activities	<u>\$199,533</u>

# MONROE CHARTER TOWNSHIP

## Notes to Financial Statements Year Ended December 31, 2005

### Note 7

#### Long-Term Debt

The following is a summary of long-term debt outstanding as of December 31, 2005:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Original Amount of Issue</u>	<u>Balance Outstanding</u>
<u>Special Assessment Bonds:</u>					
Water District #64, #65, #66, & #67	4.8%	4/1/98	2/1/99-2017	\$ 335,000	\$ 215,000
Water District #70	4.75-4.8%	11/08/05	05/01/07-2026	405,000	405,000
<u>General Obligation Bonds:</u>					
Water District #64, #65, #66, & #67	4.68%	4/1/98	2/1/99-2017	385,000	285,000
Loan Payable:					
Fire Hall	4.61%	1/16/02	1/16/03-2010	1,868,500	<u>939,333</u>
					<u>\$1,844,333</u>

Changes in bond and loan principal during 2005 are summarized as follows:

	<u>Balance December 31, 2005</u>	<u>Addition</u>	<u>Retired</u>	<u>Balance December 31, 2005</u>	<u>Due In One Year</u>
Special Assessment Bonds Payable	\$ 235,000	\$405,000	\$ 20,000	\$ 620,000	\$ 20,000
General Obligation Bonds Payable	300,000	-	15,000	285,000	15,000
Note Payable Fire Hall	<u>1,124,973</u>	<u>-</u>	<u>185,640</u>	<u>939,333</u>	<u>195,458</u>
	<u>\$1,659,973</u>	<u>\$405,000</u>	<u>\$220,640</u>	<u>\$1,844,333</u>	<u>\$230,458</u>

# MONROE CHARTER TOWNSHIP

## *Notes to Financial Statements* *Year Ended December 31, 2005*

Note 7      Long-Term Debt (Continued)

The annual requirements to pay principal and interest on the long-term debt outstanding at December 31, 2005, are as follows:

	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Year Ending December 31,</u>			
2006	\$ 230,458	\$ 82,632	\$ 313,090
2007	264,468	71,721	336,189
2008	273,894	59,425	333,319
2009	278,755	46,814	325,569
2010	156,758	34,196	190,577
2011-2015	315,000	115,175	430,175
2016-2020	200,000	46,665	246,665
2021-2025	100,000	17,875	117,875
2026	<u>25,000</u>	<u>600</u>	<u>25,600</u>
	<u>\$1,844,333</u>	<u>\$475,103</u>	<u>\$2,319,059</u>

The following are schedules of remaining principal and interest requirements for the special assessment bonds and general obligation bonds as of December 31, 2005.

**Special Assessment Bonds**

Water District #64, #65, #66, and #67 water mains - \$335,000 bond issued dated April 1, 1998 by Monroe Charter Township.

<u>Year</u>	<u>Interest Due</u>		<u>Principal Due</u>	<u>Total Requirements</u>
	<u>February 1</u>	<u>August 1</u>	<u>February 1</u>	
2006	\$ 5,160	\$ 4,680	\$ 20,000	\$ 29,840
2007	4,680	4,200	20,000	28,880
2008	4,200	3,720	20,000	27,920
2009	3,720	3,360	15,000	22,080
2010	3,360	3,000	15,000	21,360
2011	3,000	2,640	15,000	20,640
2012	2,640	2,160	20,000	24,800
2013	2,160	1,680	20,000	23,840
2014	1,680	1,200	20,000	22,880
2015	1,200	840	15,000	17,040
2016	840	480	15,000	16,320
2017	<u>480</u>	<u>-</u>	<u>20,000</u>	<u>20,480</u>
	<u>\$33,120</u>	<u>\$27,960</u>	<u>\$215,000</u>	<u>\$276,080</u>

# MONROE CHARTER TOWNSHIP

## Notes to Financial Statements Year Ended December 31, 2005

### Note 7

#### Long-Term Debt (Continued)

Water District #70 water main - \$405,000 bond issued dated November 8, 2005 by Monroe Charter Township.

Year	Interest Due		Principal Due	Total
	May 1	November 1	May 1	Requirements
2006	\$ 9,251	\$ 9,625	\$ -	\$ 18,876
2007	9,625	9,150	20,000	38,775
2008	9,150	8,675	20,000	37,825
2009	8,675	8,200	20,000	36,875
2010	8,200	7,725	20,000	35,925
2011	7,725	7,250	20,000	34,975
2012	7,250	6,775	20,000	34,025
2013	6,775	6,300	20,000	33,075
2014	6,300	5,825	20,000	32,125
2015	5,825	5,350	20,000	31,175
2016	5,350	4,875	20,000	30,225
2017	4,875	4,400	20,000	29,275
2018	4,400	3,925	20,000	28,325
2019	3,925	3,450	20,000	27,375
2020	3,450	2,975	20,000	26,425
2021	2,975	2,500	20,000	25,475
2022	2,500	2,025	20,000	24,525
2023	2,025	1,550	20,000	23,575
2024	1,550	1,075	20,000	22,625
2025	1,075	600	20,000	21,675
2026	600	-	25,000	25,600
	<u>\$111,501</u>	<u>\$102,250</u>	<u>\$405,000</u>	<u>\$618,751</u>

#### General Obligation Bonds

Water District #64, #65, #66 and #67 water mains - \$385,000 bond issue dated April 1, 1998 by Monroe Charter Township.

Year	Interest Due		Principal Due	Total
	February 1	August 1	February 1	Requirements
2006	\$ 6,840	\$ 6,480	\$ 15,000	\$ 28,320
2007	6,480	6,000	20,000	32,480
2008	6,000	5,520	20,000	31,520
2009	5,520	5,040	20,000	30,560
2010	5,040	4,560	20,000	29,600
2011	4,560	3,960	25,000	33,520
2012	3,960	3,360	25,000	32,320
2013	3,360	2,760	25,000	31,120
2014	2,760	2,160	25,000	29,920
2015	2,160	1,560	25,000	28,720
2016	1,560	840	30,000	32,400
2017	840	-	35,000	35,840
	<u>\$49,080</u>	<u>\$42,240</u>	<u>\$285,000</u>	<u>\$376,320</u>

## MONROE CHARTER TOWNSHIP

### *Notes to Financial Statements Year Ended December 31, 2005*

---

#### Note 7      Long-Term Debt (Concluded)

##### Loan Payable

2002 Fire Hall Note - on January 16, 2002, the Township entered into a purchase agreement with Monroe Bank & Trust. The purchase agreement is to provide/build a fire hall for a total aggregate purchase price of \$1,868,500; the Township had only drawn down \$1,573,675. The Township is financing these costs through a tax millage.

<u>Year</u>	<u>Interest Due</u>		<u>Principal Due</u>		<u>Total Requirements</u>
	<u>January 14</u>	<u>July 14</u>	<u>January 14</u>	<u>July 14</u>	
2006	\$21,399	\$19,197	\$ 96,628	\$ 98,830	\$ 236,054
2007	16,945	14,641	101,082	103,386	236,054
2008	12,285	9,875	105,742	108,152	236,054
2009	7,410	4,889	110,617	113,138	236,054
2010	<u>2,311</u>	<u>-</u>	<u>101,758</u>	<u>-</u>	<u>104,069</u>
	<u>\$60,350</u>	<u>\$48,602</u>	<u>\$515,827</u>	<u>\$423,506</u>	<u>\$1,048,285</u>

#### Note 8      Property Taxes

The Township bills and collects its own property taxes and also taxes for the County of Monroe, Monroe Public Schools, Ida Public Schools, Monroe County Community College, and the Monroe County Intermediate School District. Collections are accounted for in the Tax Collection Agency Fund. For 2005, the Township levied, on December 1, 2004, 0.6232 mills for roads, 1.0000 mill for fire, and 2.0068 mills for general operating due and payable on February 14, 2005. The valuation for real and personal property totaled \$370,812,146 which was based on December 31, 2004 assessments.

The taxes receivable of \$8,114,862 and the \$9,398,551 liability to the taxing authorities reflected in the Tax Collection Agency Fund relate to the December 2005 tax bills. The Township's share of these taxes will be reflected as revenues in 2006.

#### Note 9      Employee's Pension Plan

The Township is a member of the Michigan Townships Association pension plan through Manufacturers Life Insurance Company, Toronto, Canada. All full time and permanent employees and all elected officials are eligible for participation upon employment with 100% vesting after two years of continuous employment. The Township, which contributes 10% of eligible wages, contributed \$57,094 in 2005. Employees may make voluntary contributions to the plan. The Township has no liability beyond its own contribution. The covered payroll for the year was \$570,940 out of a total payroll of \$734,911.

#### Note 10      Michigan Unemployment

On May 16, 1974, Governor Milliken signed into law enrolled Senate Bill 741, which is known as Act No. 104 of the Public Acts of 1974. The provisions of this Act subject political subdivisions to the Michigan Employment Security Act effective January 1, 1975. The Township has elected to make reimbursement payments rather than to pay contributions as a contributing employer. As of December 31, 2005, no reserve has been established for this contingent liability.

## MONROE CHARTER TOWNSHIP

### *Notes to Financial Statements Year Ended December 31, 2005*

---

Note 11      Accumulated Compensated Absences

As of December 31, 2003, any sick time became "banked sick days." Banked sick time can only be used after current sick time has been exhausted. Employees will receive a banked sick day compensation payment at one-half rate for the total accumulated sick days at the regular hourly rate in effect at the date of resignation or dismissal. Banked sick days are accrued in the government-wide financial statements. The liability as of December 31, 2005, for banked sick days totaled approximately \$18,465. In the fund financial statements, these accounts are reported when paid.

Note 12      Joint Venture

The Monroe Charter Township is a member of the Monroe Metropolitan Water Pollution Control System. Monroe Charter Township, Frenchtown Township, and the City of Monroe each appoint two members and the County of Monroe appoints one member to the joint venture's seven member governing board, which approves the annual budget. The following is the financial information of the joint venture, obtained from their financial report, as of June 30, 2005:

Total assets	\$20,753,561
Total liabilities	481,309
Total net assets	20,272,252
Total revenues	5,410,601
Total operating expenses	5,623,763
Total transfers out	24,030
Decrease in system equity	(237,192)

The operations of the joint venture are performed by the employees of the City of Monroe. Therefore, the City is liable for all related employee commitments and is then reimbursed by the joint venture.

Monroe Charter Township's investment in the joint venture is based on the capacity of the treatment facilities. Monroe Charter Township's capacity of the treatment facilities is 23.798%.

The change in the joint venture is shown in the Statement of Activities under business-type activities.

## MONROE CHARTER TOWNSHIP

### *Notes to Financial Statements Year Ended December 31, 2005*

---

#### Note 13      Contract to Develop, Lease, and Return Property

P & W, a partnership formed by David Phipps and Gary Whitener, has entered into an agreement with Monroe Charter Township to lease township property to develop and build an eighteen hole golf course. Beginning on the December 1st after the first full season of an eighteen-hole golf play, P & W will pay Monroe Township an annual fee plus a percentage of the gross receipts as follows:

	<u>Annual Fee</u>	<u>Percentage of Gross Receipts</u>
Years 1 & 2	\$ 5,000	0%
Years 3, 4, 5, & 6	5,000	1%
Years 7, 8, 9, & 10	10,000	2%
Years 11, 12, 13, 14, & 15	15,000	3%
Years 16, 17, 18, 19, & 20	20,000	4%
Years 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, & 36	30,000	5%

During 2005, Monroe Charter Township received \$21,622 for the seventh year's annual fee and percentage of gross receipts.

At the time the lease expires, the Township will pay P & W the sum of one dollar for land improvement and buildings but not to include any personal property equipment.

#### Note 14      Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions and employee injuries (workman's compensation). The Township has purchased commercial insurance for property loss, torts, errors, omissions and employee injuries.

# MONROE CHARTER TOWNSHIP

*General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended December 31, 2005*

	Budgeted Amounts			Positive (Negative) Budget
	Original	Final	Actual	
<b>Revenues</b>				
Taxes, special assessments, and tap fees:				
Current tax collection	\$757,357	\$752,000	\$752,137	\$137
Trailer park taxes	9,600	9,600	9,461	(139)
	766,957	761,600	761,598	(2)
Licenses and permits:				
Business licenses and permits	60,000	60,000	52,891	(7,109)
Non-business licenses and permits	73,000	92,000	82,501	(9,499)
Elec/plumbing/mech permits	75,000	132,000	136,929	4,929
Monitoring fees	50,000	54,000	59,910	5,910
	258,000	338,000	332,231	(5,769)
State grants:				
State shared revenue	1,011,000	1,004,133	1,003,922	(211)
Metro Act revenue	0	7,225	7,225	0
	1,011,000	1,011,358	1,011,147	(211)
Charges for services:				
Penalties and interest on tax	6,498	5,554	4,049	(1,505)
Zoning and board of appeals fees	10,000	10,000	9,460	(540)
Fines and forfeits	4,000	1,500	1,276	(224)
	20,498	17,054	14,785	(2,269)
Interest	40,000	105,400	118,344	12,944
Other revenue:				
Lease on township property	27,000	21,622	21,622	0
Other revenue	51,420	44,668	40,785	(3,883)
	78,420	66,290	62,407	(3,883)
Total Revenues	2,174,875	2,299,702	2,300,512	810
<b>Expenditures</b>				
Legislative:				
Township board	62,592	63,326	63,263	63
General government:				
Supervisor	78,254	78,254	76,702	1,552
Elections	20,120	625	624	1
Audit	21,000	18,800	18,800	0
Assessor	91,103	85,363	75,081	10,282
Legal fees	79,000	79,000	78,250	750
Clerk	130,151	131,801	130,507	1,294
Board of review	1,500	1,500	1,185	315
Treasurer	91,924	96,314	95,398	916
Township hall and grounds	121,884	121,884	102,446	19,438
Cemetery	6,900	8,000	7,732	268
General administration	73,800	73,800	45,482	28,318
Building department	164,723	181,032	179,452	1,580
	880,359	876,373	811,659	64,714

**MONROE CHARTER TOWNSHIP**

*General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended December 31, 2005*

	Budgeted Amounts			Positive (Negative) Budget
	Original	Final	Actual	
<b>Expenditures (Concluded)</b>				
Public safety:				
Fire department	\$325,414	\$325,414	\$301,895	\$23,519
Zoning enforcement	42,670	58,190	56,686	1,504
	<u>368,084</u>	<u>383,604</u>	<u>358,581</u>	<u>25,023</u>
Public works:				
Engineering	18,000	13,000	12,416	584
Roads and drains	45,000	31,810	29,380	2,430
	<u>63,000</u>	<u>44,810</u>	<u>41,796</u>	<u>3,014</u>
Culture and recreation:				
Parks and recreation	57,550	46,442	57,332	(10,890)
	<u>57,550</u>	<u>46,442</u>	<u>57,332</u>	<u>(10,890)</u>
Capital outlay	130,525	130,525	9,495	121,030
Other:				
Employee benefits:				
Hospitalization insurance	155,000	152,561	152,560	1
Life insurance	10,000	8,350	8,335	15
Dental insurance	21,500	19,100	19,015	85
Health insurance waiver	10,000	10,210	10,208	2
Short and long term disability	7,500	6,150	6,118	32
Retirement	55,400	59,400	57,094	2,306
Social security	62,650	56,650	56,182	468
General insurance	72,500	71,080	71,064	16
Bonds	240	55	55	0
Unemployment insurance	9,500	10,136	10,136	0
Contingency	50,000	50,000	0	50,000
	<u>454,290</u>	<u>443,692</u>	<u>390,767</u>	<u>52,925</u>
Total Expenditures	<u>2,016,400</u>	<u>1,988,772</u>	<u>1,732,893</u>	<u>255,879</u>
Excess (Deficiency) of Revenues Over Expenditures	158,475	310,930	567,619	256,689
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	0	16,449	16,267	(182)
Operating transfers out	(289,000)	(457,904)	(458,500)	(596)
Total Other Financing Sources (Uses)	<u>(289,000)</u>	<u>(441,455)</u>	<u>(442,233)</u>	<u>(778)</u>
<b>Net Change in Fund Balance</b>	<u>(130,525)</u>	<u>(130,525)</u>	<u>125,386</u>	<u>255,911</u>
Fund Balance - Beginning of year	<u>2,135,299</u>	<u>2,135,299</u>	<u>2,283,124</u>	<u>147,825</u>
Fund Balance - End of year	<u>\$2,004,774</u>	<u>\$2,004,774</u>	<u>\$2,408,510</u>	<u>\$403,736</u>

**MONROE CHARTER TOWNSHIP**

*Central Sewer Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended December 31, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Special assessments and tap fees	\$59,000	\$102,000	\$102,000	\$0
Interest	31,530	91,853	96,260	4,407
Other revenue	0	0	72	72
Total Revenues	90,530	193,853	198,332	4,479
<b>Expenditures</b>				
Other	1,000	1,000	0	1,000
<b>Net Change in Fund Balance</b>	89,530	192,853	198,332	5,479
Fund Balance - Beginning of year	2,945,163	2,937,600	2,937,600	0
Fund Balance - End of year	<u>\$3,034,693</u>	<u>\$3,130,453</u>	<u>\$3,135,932</u>	<u>\$5,479</u>

**MONROE CHARTER TOWNSHIP**

*Fire and Safety Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended December 31, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Current tax collection	\$377,395	\$374,415	\$374,574	\$159
Contribution from local units	0	0	133,255	133,255
Other revenue	0	240	4,490	4,250
Total Revenues	377,395	374,655	512,319	137,664
<b>Expenditures</b>				
Capital projects	350,000	594,147	579,649	14,498
<b>Net Change in Fund Balance</b>	27,395	(219,492)	(67,330)	152,162
Fund Balance - Beginning of year	693,335	703,270	703,270	0
Fund Balance - End of year	<u>\$720,730</u>	<u>\$483,778</u>	<u>\$635,940</u>	<u>\$152,162</u>

**MONROE CHARTER TOWNSHIP**

*Roads Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Current tax collection	\$235,193	\$233,352	\$233,446	\$94
Interest income	<u>278</u>	<u>2,208</u>	<u>2,649</u>	<u>441</u>
Total Revenues	235,471	235,560	236,095	535
<b>Expenditures</b>				
Engineering	2,500	67,000	137,236	(70,236)
Paving and draining	500,000	900,000	568,612	331,388
Other	<u>10,971</u>	<u>6,443</u>	<u>6,047</u>	<u>396</u>
Total Expenditures	<u>513,471</u>	<u>973,443</u>	<u>711,895</u>	<u>261,548</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(278,000)</u>	<u>(737,883)</u>	<u>(475,800)</u>	<u>262,083</u>
<b>Other Financing Sources</b>				
Operating transfers in	<u>278,000</u>	<u>366,901</u>	<u>366,901</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	0	(370,982)	(108,899)	262,083
Fund Balance - Beginning of year	<u>1,411,939</u>	<u>901,113</u>	<u>901,113</u>	<u>0</u>
Fund Balance - End of year	<u><u>\$1,411,939</u></u>	<u><u>\$530,131</u></u>	<u><u>\$792,214</u></u>	<u><u>\$262,083</u></u>

**MONROE CHARTER TOWNSHIP**

*Special Assessment Water District #70 Construction Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance*

*Year Ended December 31, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Interest income	\$0	\$500	\$682	\$182
Total Revenues	0	500	682	182
<b>Expenditures</b>				
Engineering	0	40,000	42,545	(2,545)
Contractor expense	0	363,994	279,000	84,994
Other	0	25,969	14,556	11,413
Total Expenditures	0	429,963	336,101	93,862
Excess (Deficiency) of Revenues Over Expenditures	0	(429,463)	(335,419)	94,044
<b>Other Financing Sources</b>				
Proceeds from sale of bonds	0	390,000	386,124	(3,876)
Operating transfers in	0	39,463	39,436	(27)
Total Other Financing Sources	0	429,463	425,560	(3,903)
<b>Net Change in Fund Balance</b>	0	0	90,141	90,141
Fund Balance - Beginning of year	0	0	0	0
Fund Balance - End of year	\$0	\$0	\$90,141	\$90,141

**MONROE CHARTER TOWNSHIP**

*Nonmajor Governmental Funds  
Combining Balance Sheet  
December 31, 2005*

	Special Revenue Funds					
	Emergency Revolving	Street Light	Water District #62	Water District #63	Water District #68	Water District #69
<b>Assets</b>						
Cash and cash equivalents	\$26,609	\$6,486	\$0	\$31,890	\$31,478	\$37,171
Receivables:						
Special assessments	0	0	0	1,068	21,574	63,544
Accrued interest	0	0	0	85	1,726	3,209
Due from other governmental units						
 Total Assets	<u>\$26,609</u>	<u>\$6,486</u>	<u>\$0</u>	<u>\$33,043</u>	<u>\$54,778</u>	<u>\$103,924</u>
<b>Total Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$0	\$6,486	\$0	\$0	\$0	\$0
Deferred revenue	0	0	0	0	19,655	60,014
 Total Liabilities	0	6,486	0	0	19,655	60,014
<b>Fund Balances</b>						
Reserved for debt service	0	0	0	0	0	0
Designated for volunteer firemen	5,000	0	0	0	0	0
Designated for emergencies	21,609	0	0	0	0	0
Unreserved - undesignated	0	0	0	33,043	35,123	43,910
 Total Fund Balances	<u>26,609</u>	<u>0</u>	<u>0</u>	<u>33,043</u>	<u>35,123</u>	<u>43,910</u>
 Total Liabilities and Fund Balances	<u>\$26,609</u>	<u>\$6,486</u>	<u>\$0</u>	<u>\$33,043</u>	<u>\$54,778</u>	<u>\$103,924</u>

Debt Service Funds								Capital Project Funds	Total Nonmajor Governmental Funds
Special Assessment Water District #47	Special Assessment Water District #64	Special Assessment Water District #65	Special Assessment Water District #67	General Obligation Water District #64	General Obligation Water District #65	General Obligation Water District #66	General Obligation Water District #67	Park and Recreation	
\$24,351	\$17,964	\$84,277	\$14,306	\$0	\$0	\$1,130	\$219	\$50,000	\$325,881
60,918	10,626	50,791	10,428	0	0	0	0	0	218,949
0	616	2,365	605	0	0	0	0	0	8,606
0	43,736	44,197	0	0	0	0	0	0	87,933
<u>\$85,269</u>	<u>\$72,942</u>	<u>\$181,630</u>	<u>\$25,339</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,130</u>	<u>\$219</u>	<u>\$50,000</u>	<u>\$641,369</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,486
60,918	53,476	91,649	9,626	0	0	0	0	0	295,338
60,918	53,476	91,649	9,626	0	0	0	0	0	301,824
24,351	19,466	89,981	15,713	0	0	1,130	219	0	150,860
0	0	0	0	0	0	0	0	0	5,000
0	0	0	0	0	0	0	0	0	21,609
0	0	0	0	0	0	0	0	50,000	162,076
<u>24,351</u>	<u>19,466</u>	<u>89,981</u>	<u>15,713</u>	<u>0</u>	<u>0</u>	<u>1,130</u>	<u>219</u>	<u>50,000</u>	<u>339,545</u>
<u>\$85,269</u>	<u>\$72,942</u>	<u>\$181,630</u>	<u>\$25,339</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,130</u>	<u>\$219</u>	<u>\$50,000</u>	<u>\$641,369</u>

**MONROE CHARTER TOWNSHIP**

*Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended December 31, 2005*

	Special Revenue Funds					
	Emergency Revolving	Street Light	Water District #62	Water District #63	Water District #68	Water District #69
<b>Revenues</b>						
Special assessments	\$0	\$110,539	\$0	\$1,127	\$1,919	\$3,530
Interest and penalties	0	0	0	88	1,726	3,209
Other revenue	16	1,126	0	0	0	0
Total Revenues	16	111,665	0	1,215	3,645	6,739
<b>Expenditures</b>						
Public safety	238	0	0	0	0	0
Public works	0	112,619	0	0	0	0
Debt service	0	0	1,903	0	0	0
Total Expenditures	238	112,619	1,903	0	0	0
Excess (Deficiency) of Revenues Over Expenditures	(222)	(954)	(1,903)	1,215	3,645	6,739
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	0	954	0	0	0	0
Operating transfers out	0	0	(16,267)	0	0	0
Total Other Financing Sources (Uses)	0	954	(16,267)	0	0	0
<b>Net Change in Fund Balances</b>	(222)	0	(18,170)	1,215	3,645	6,739
Fund Balances - Beginning of year	26,831	0	18,170	31,828	31,478	37,171
Fund Balances - End of year	<u>\$26,609</u>	<u>\$0</u>	<u>\$0</u>	<u>\$33,043</u>	<u>\$35,123</u>	<u>\$43,910</u>

Debt Service Funds								Capital Project Fund	Total Nonmajor Governmental Funds
Special Assessment Water District #47	Special Assessment Water District #64	Special Assessment Water District #65	Special Assessment Water District #67	General Obligation Water District #64	General Obligation Water District #65	General Obligation Water District #66	General Obligation Water District #67	Park and Recreation	
\$1,257	\$12,227	\$10,277	\$7,281	\$0	\$0	\$0	\$0	\$0	\$148,157
109	1,581	4,282	878	92	0	0	0	0	11,965
0	0	0	0	0	0	0	0	10,000	11,142
1,366	13,808	14,559	8,159	92	0	0	0	10,000	171,264
0	0	0	0	0	0	0	0	0	238
0	0	0	0	0	0	0	0	0	112,619
0	3,773	9,253	2,664	6,625	16,780	4,528	1,356	0	46,882
0	3,773	9,253	2,664	6,625	16,780	4,528	1,356	0	159,739
1,366	10,035	5,306	5,495	(6,533)	(16,780)	(4,528)	(1,356)	10,000	11,525
0	0	0	0	6,249	4,960	0	0	40,000	52,163
0	0	0	0	0	0	0	0	0	(16,267)
0	0	0	0	6,249	4,960	0	0	40,000	35,896
1,366	10,035	5,306	5,495	(284)	(11,820)	(4,528)	(1,356)	50,000	47,421
22,985	9,431	84,675	10,218	284	11,820	5,658	1,575	0	292,124
<u>\$24,351</u>	<u>\$19,466</u>	<u>\$89,981</u>	<u>\$15,713</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,130</u>	<u>\$219</u>	<u>\$50,000</u>	<u>\$339,545</u>

**MONROE CHARTER TOWNSHIP**

*Emergency Revolving Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Other revenue	\$0	\$16	\$16	\$0
<b>Expenditures</b>				
Public safety	<u>1,000</u>	<u>238</u>	<u>238</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	(1,000)	(222)	(222)	0
Fund Balance - Beginning of year	<u>16,831</u>	<u>26,831</u>	<u>26,831</u>	<u>0</u>
Fund Balance - End of year	<u><u>\$15,831</u></u>	<u><u>\$26,609</u></u>	<u><u>\$26,609</u></u>	<u><u>\$0</u></u>

**MONROE CHARTER TOWNSHIP**

*Street Light Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended December 31, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Special assessments	\$110,434	\$110,539	\$110,539	\$0
Interest	7,000	0	0	0
Other revenue	0	1,126	1,126	0
Total Revenue	117,434	111,665	111,665	0
<b>Expenditures</b>				
Public works:				
Street light utility bills	117,434	112,232	112,619	(387)
Total Expenditures	117,434	112,232	112,619	(387)
Excess (Deficiency) of Revenues Over Expenditures	0	(567)	(954)	(387)
<b>Other Financing Sources</b>				
Operating transfers in	0	567	954	387
<b>Net Change in Fund Balance</b>	0	0	0	0
Fund Balance - Beginning of year	0	0	0	0
Fund Balance - End of year	\$0	\$0	\$0	\$0

**MONROE CHARTER TOWNSHIP**

*Water District #62 Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Debt service	0	1,903	1,903	0
Excess (Deficiency) of Revenues Over Expenditures	0	(1,903)	(1,903)	0
<b>Other Financing Sources</b>				
Operating transfers out	0	(16,267)	(16,267)	0
<b>Net Change in Fund Balance</b>	0	(18,170)	(18,170)	0
Fund Balance - Beginning of year	18,170	18,170	18,170	0
Fund Balance - End of year	<u>\$18,170</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**MONROE CHARTER TOWNSHIP**

*Water District #63 Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Special assessments	\$1,300	\$1,300	\$1,127	(\$173)
Interest	<u>290</u>	<u>290</u>	<u>88</u>	<u>(202)</u>
Total Revenue	1,590	1,590	1,215	(375)
<b>Expenditures</b>				
Debt service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	1,590	1,590	1,215	(375)
Fund Balance - Beginning of year	<u>32,514</u>	<u>31,828</u>	<u>31,828</u>	<u>0</u>
Fund Balance - End of year	<u><u>\$34,104</u></u>	<u><u>\$33,418</u></u>	<u><u>\$33,043</u></u>	<u><u>(\$375)</u></u>

**MONROE CHARTER TOWNSHIP**

*Water District #68 Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Special assessments	\$3,953	\$3,953	\$1,919	(\$2,034)
Interest	<u>0</u>	<u>0</u>	<u>1,726</u>	<u>1,726</u>
Total Revenue	3,953	3,953	3,645	(308)
<b>Expenditures</b>				
Debt service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	3,953	3,953	3,645	(308)
Fund Balance - Beginning of year	<u>31,632</u>	<u>31,478</u>	<u>31,478</u>	<u>0</u>
Fund Balance - End of year	<u><u>\$35,585</u></u>	<u><u>\$35,431</u></u>	<u><u>\$35,123</u></u>	<u><u>(\$308)</u></u>

**MONROE CHARTER TOWNSHIP**

*Water District #69 Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended December 31, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Special assessments	\$0	\$3,530	\$3,530	\$0
Interest	0	3,387	3,209	(178)
Total Revenues	0	6,917	6,739	(178)
<b>Expenditures</b>				
Debt service	0	0	0	0
<b>Net Change in Fund Balance</b>	0	6,917	6,739	(178)
Fund Balance - Beginning of year	0	37,171	37,171	0
Fund Balance - End of year	<u>\$0</u>	<u>\$44,088</u>	<u>\$43,910</u>	<u>(\$178)</u>

**MONROE CHARTER TOWNSHIP**

*Park and Recreation Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended December 31, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Other revenue:				
Donations	\$0	\$10,000	\$10,000	\$0
<b>Expenditures</b>				
Capital outlay	0	0	0	0
Excess (Deficiency) of Revenues Over Expenditures	0	10,000	10,000	0
<b>Other Financing Sources</b>				
Operating transfers in	0	40,000	40,000	0
<b>Net Change in Fund Balance</b>	0	50,000	50,000	0
Fund Balance - Beginning of year	0	0	0	0
Fund Balance - End of year	<u>\$0</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$0</u>

## MONROE CHARTER TOWNSHIP

*Agency Funds*  
*Combining Balance Sheet*  
*Year Ended December 31, 2005*

	Agency Payroll	Tax Collection	Escrow Accounts	Totals
<b>Assets</b>				
Cash	\$56,318	\$1,286,413	\$104,026	\$1,446,757
Receivables:				
Accounts	4,533	0	0	4,533
Taxes	0	8,114,862	0	8,114,862
 Total Assets	 \$60,851	 \$9,401,275	 \$104,026	 \$9,566,152
 <b>Liabilities</b>				
Due to other governmental units	\$57,066	\$2,725	\$0	\$59,791
Due to taxing units	0	9,398,550	0	9,398,550
Due to property owners	0	0	104,026	104,026
Due to other local units	3,785	0	0	3,785
 Total Liabilities	 \$60,851	 \$9,401,275	 \$104,026	 \$9,566,152

# MONROE CHARTER TOWNSHIP

*Agency Funds*  
*Statement of Changes in Assets and Liabilities - All Agency Funds*  
*Year Ended December 31, 2005*

	Balance Dec 31, 2004	Additions	Deductions	Balance Dec 31, 2005
<b>Assets</b>				
Cash	\$1,365,372	\$13,124,414	\$13,043,029	\$1,446,757
Receivables:				
Accounts	4,665	4,533	4,665	4,533
Taxes	8,133,940	12,860,809	12,879,887	8,114,862
 Total Assets	<u>\$9,503,977</u>	<u>\$25,989,756</u>	<u>\$25,927,581</u>	<u>\$9,566,152</u>
 <b>Liabilities</b>				
Due to other governmental units	\$56,091	\$14,789	\$11,089	\$59,791
Due to taxing units	9,333,654	9,398,550	9,333,654	9,398,550
Due to property owners	110,337	282,091	288,402	104,026
Due to other local units	3,895	43,392	43,502	3,785
 Total Liabilities	<u>\$9,503,977</u>	<u>\$9,738,822</u>	<u>\$9,676,647</u>	<u>\$9,566,152</u>

**MONROE CHARTER TOWNSHIP**

*Agency Funds*  
*Statement of Changes in Assets and Liabilities - All Agency Funds*  
*Year Ended December 31, 2005*

**Agency - Payroll**

	Balance Dec 31, 2004	Additions	Deductions	Balance Dec 31, 2005
<b>Assets</b>				
Cash	\$52,828	\$1,147,475	\$1,143,985	\$56,318
Accounts receivable	4,665	4,533	4,665	4,533
 Total Assets	<u>\$57,493</u>	<u>\$1,152,008</u>	<u>\$1,148,650</u>	<u>\$60,851</u>
<b>Liabilities</b>				
Due to other governmental units	\$53,598	\$12,064	\$8,596	\$57,066
Due to other local units	3,895	43,392	43,502	3,785
 Total Liabilities	<u>\$57,493</u>	<u>\$55,456</u>	<u>\$52,098</u>	<u>\$60,851</u>

**Tax Collection Fund**

<b>Assets</b>				
Cash	\$1,202,207	\$11,694,848	\$11,610,642	\$1,286,413
Taxes receivable	8,133,940	12,860,809	12,879,887	8,114,862
 Total Assets	<u>\$9,336,147</u>	<u>\$24,555,657</u>	<u>\$24,490,529</u>	<u>\$9,401,275</u>
<b>Liabilities</b>				
Due to other governmental units	\$2,493	\$2,725	\$2,493	\$2,725
Due to taxing units	9,333,654	9,398,550	9,333,654	9,398,550
 Total Liabilities	<u>\$9,336,147</u>	<u>\$9,401,275</u>	<u>\$9,336,147</u>	<u>\$9,401,275</u>

# MONROE CHARTER TOWNSHIP

*Agency Funds*  
*Statement of Changes in Assets and Liabilities - All Agency Funds*  
*Year Ended December 31, 2005*

<b>Escrow Accounts</b>				
	Balance Dec 31, 2004	Additions	Deductions	Balance Dec 31, 2005
<b>Assets</b>				
Cash	\$110,337	\$282,091	\$288,402	\$104,026
<b>Liabilities</b>				
Due to property owners:				
Archery Center	\$2,279	\$0	\$0	\$2,279
Ash Tree Program	0	19,425	12,779	6,646
Bacarella Funeral Home	394	0	0	394
Bond Escrows	9,950	400	300	10,050
Canterbury Farms	145	0	0	145
Carriage Homes	230	0	0	230
Charter Communications	386	0	0	386
Chirco/Cangialosi	0	33,875	25,334	8,541
Dennis Curry	0	100	100	0
Custer Ball	7,632	17,866	9,777	15,721
Cusumano's Plaza	100	8,255	5,460	2,895
Dixie Hwy Service Center	850	0	0	850
Thomas Dumas	2	0	0	2
Dunbar Estates	5	0	0	5
Elite Commons	230	0	0	230
Enger Surveying & Engineering	2,456	0	182	2,274
Fifth Third Bank	4,160	2,080	5,512	728
First Church of Nazarene	2,256	0	0	2,256
Fortuna of Michigan	2,353	0	2,353	0
Graves & Associates	765	0	200	565
Groulx Oldsmobile	298	0	0	298
Haynes Real Estate	78	0	0	78
Icon Building II	1,900	0	0	1,900
Kausler's Island	77	992	892	177
Lewis Co - Judy Land Property	0	295	295	0
Lighthouse Pointe	15	0	0	15
Lockwood Lake Estates	29,305	7,740	33,699	3,346
Lutheran Homes of Monroe	16,380	49,920	65,554	746
M & M Investments	847	0	0	847
McDonalds	0	1,057	1,057	0

**MONROE CHARTER TOWNSHIP**

*Agency Funds*  
*Statement of Changes in Assets and Liabilities - All Agency Funds*  
*Year Ended December 31, 2005*

**Escrow Accounts**

	Balance Dec 31, 2004	Additions	Deductions	Balance Dec 31, 2005
<b>Liabilities (Continued)</b>				
Monroe County ISD	\$361	\$0	\$0	\$361
MCCC Instructional Center	253	0	0	253
MCCC Paving	2,217	5,101	5,101	2,217
Monroe County Storage	344	0	0	344
Monroe Missionary	516	0	468	48
Monroe Travel Center	228	2,155	2,383	0
Orchard Meadows-Cangialosi	0	43,736	37,676	6,060
Midway Products	2,782	0	0	2,782
Parks and Recreation	0	10,000	10,000	0
Peddler/Solicitor Bonds	500	500	500	500
Quarry Property-Bill Gross	5,225	0	0	5,225
Raisin Run Subdivision	859	0	0	859
Ralph Thayer Rezone	153	2,696	252	2,597
Rosolino Loduca	0	8,268	3,728	4,540
SRV Building Corp.	925	2,767	2,767	925
ST Construction & Sons	0	3,476	1,682	1,794
Secure Self Storage	296	0	0	296
Sheffield Sub. - Chirco	863	49,254	46,836	3,281
S. Dixie Commons Perform. Bond	695	0	0	695
Southpointe Square	2,391	6,401	7,766	1,026
Southpointe Condos	5,914	0	0	5,914
Dick Spicer	148	0	0	148
Ultimate Auto Sales	100	0	0	100
Verizon Wireless	484	0	0	484
Viking Land Development	1,146	4,204	4,117	1,233
Wendy's - South Monroe	824	0	104	720
Woodstreams Condos	0	1,528	1,528	0
Xanadu Roller Skate Center	20	0	0	20
	<u>\$110,337</u>	<u>\$282,091</u>	<u>\$288,402</u>	<u>\$104,026</u>

## MONROE CHARTER TOWNSHIP

### *Index to Central Sewer and Water Districts Year Ended December 31, 2005*

---

#### Sewer District

Central Sewer

#### Water Districts

#47 Keegan and Albain Roads

#62 Oak Drive

#63 Harrison Street Watermain Extension

#64 Herr Road Watermain Extensions

#65 W. Albain Road Watermain Co-op

#66 Telegraph Road Watermain Extension

#67 Drummonds Court Watermain

#68 LaPlaisance Road

#69 Goutz Road Watermain

#70 Hull Road Watermain



COOLEY HEHL  
WOHLGAMUTH & CARLTON  
P. L. L. C. Certified Public Accountants

James R. Cooley, CPA  
David K. Hehl, CPA  
Robert W. Wohlgamuth, CPA  
Peter H. Carlton, CPA  
Matthew D. Hehl, CPA  
Deborah A. Sabo, CPA

One South Monroe Street • Monroe, Michigan 48161-2281  
Telephone: (734) 241-7200 • Fax: (734) 241-2637  
www.chwecpa.com

Members:  
American Institute of Certified Public Accountants  
Michigan Association of Certified Public Accountants  
Division for CPA Firms American Institute of  
Certified Public Accountants

Board of Trustees  
Monroe Charter Township  
4925 West Dunbar Road  
Monroe County, Michigan 48161

Our audit of the financial statements of Monroe Charter Township for the year ended December 31, 2005, was made in accordance with auditing standards generally accepted in the United States of America. These standards require, in addition to obtaining competent evidential matter through inspection, observation, inquiry, and confirmation, that we determine that existing internal controls, accounting procedures and accounting records are adequate to allow us to express an opinion on the financial statements of the Township.

Our comments set forth herein are for your review and have been discussed with appropriate personnel. These comments are based primarily upon procedures employed during our audit and therefore do not encompass all matters that might result from special studies directed toward such matters.

Building Permits

During the audit, we noted that voided building permits are not being kept on file. The building permits are computer generated; and when a building permit is voided, the Township does not print the permit. We suggest the Township print the voided permit to provide documentation for every permit number.

We appreciate the cooperation and courtesy extended to us by all officials and employees of the Township and are encouraged by their efforts to maintain and improve strong and efficient accounting controls and procedures. We would be pleased to provide any assistance in implementing any of these recommendations and would be available to discuss any of these comments and recommendations with you at your convenience.

Very truly yours,

A handwritten signature in cursive script that reads 'Cooley Hehl Wohlgamuth &amp; Carlton'.

February 3, 2006